

REGIONAL TRANSIT ISSUE PAPER

Agenda Item No.	Board Meeting Date	Open/Closed Session	Information/Action Item	Issue Date
14	01/09/17	Open	Action	12/08/16

Subject: Amending the Fare Structure to Modify Age Requirements for Student Discount Fare

ISSUE

Whether to amend the fare structure for youth/student age requirement to read “A student discount shall be granted to students who are enrolled in a qualified K-12 school and pursuing their traditional high school diploma.”

RECOMMENDED ACTION

Information only.

FISCAL IMPACT:

Table 1

	<u>Current Fare Structure</u>	<u>Proposed Fare Structure</u>
Estimated # of Riders	25	70
Monthly Pass Price Rate*	\$ 110.00	\$ 38.33
Estimated Annual Revenue	\$ 33,000.00	\$ 32,200.00
Estimated Annual Revenue Impact		<u>\$ (800.00)</u>

A blended monthly pass rate was used for the proposed fare structure that assumes 67% of riders will utilize the additional discount given to students who qualify for Free/Reduced meal program student sticker rate.

DISCUSSION

RT’s current discount fare policy allows students ages 5-18 a 50% to 75% discount on a monthly pass. At a minimum all students receive a 50% discount. Students that are unserved and meet the definition of eligible for a “lunch program,” are able to receive the 75% discount. In addition, as a result of feedback from the students and parents, a monthly student pass was not created, rather two semi-monthly passes were created. By having two semi-monthly passes, it allows parents to spend less upfront or just purchase a pass for the first or second half of the month. To better understand the rules covering student passes, staff included the language directly from the current RT Board Adopted Discount Fare Policy:

“A person may purchase an RT Student ID Card upon providing RT with both of the following:

Evidence satisfactory to RT that the person has not reached his or her 19th birthday based upon written documentation acceptable to RT, including, without limitation, a birth certificate, DMV Driver’s License, or DMV Identification Card; or by having an

Approved:

Presented:

Final 01/04/17

General Manager/CEO

Acting VP of Business Services/Chief Financial Officer

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accompanying parent or guardian affirm that the person has not reached his or her 19th birthday; and

Evidence satisfactory to RT that the person is attending or enrolled to attend a School, or is required to obtain a high school diploma or equivalent as a condition of probation ordered by a court or as a condition of parole by a parole board, based upon written documentation acceptable to RT including, without limitation, (a) a valid School ID Card or enrollment form; or (b) by an accompanying parent or guardian affirming that the person is currently enrolled in School.”

The proposed change would simplify the fare structure and allow for students over the age of 18 who are continuing to pursue their traditional high school diploma to qualify for student fares. The proposed amendment would modify the existing RT Board Adopted Discount Fare Policy as it relates to students to read:

“A person may purchase an RT Student ID Card upon providing RT with both of the following:

Evidence satisfactory to RT that the person is attending or enrolled to attend an accredited K-12 School pursuing their high school diploma, or is required to obtain a high school diploma or equivalent as a condition of probation ordered by a court or as a condition of parole by a parole board, based upon written documentation acceptable to RT including, without limitation, (a) a valid School ID Card or enrollment form; of (b) by an accompanying parent or guardian affirming that the person is currently enrolled in School.”

From a fiscal impact prospective, staff estimates that the proposed change would have a minor fare impact. At most, 1,000 new students in our jurisdiction will qualify for a student fare assuming the recommended change to the discount policy is approved. Given our current student adoption rate of approximately 7%, staff projects that 70 students may be impacted by the recommended fare structure change. Regional data received from the Sacramento Area Council of Governments (SACOG) suggest that approximately 2.5% of RT’s jurisdiction utilize public transportation. This means that of the 70 students impacted by the fare structure amendment, it is likely that approximately 25 of those students currently utilize RT and are subject to paying full fare if not eligible for another form of discount.

Because the estimated fiscal impact of the proposed change is minor, staff is planning to release a Title VI analysis to the public on January 25, 2017 that will seek public feedback on the issue discussed above among other items. Staff anticipates returning to the Board in March to discuss the finding of the Title VI analysis and seek approval of fare structure changes.